

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **DEC 11 2013**

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

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LEESVILLE, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

The Honorable John S Craft
Vernon Parish Sheriff
Leesville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Sheriff, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of

the Vernon Parish Sheriff, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 6 and 30 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2013, on our consideration of the Vernon Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vernon Parish Sheriff's internal control over financial reporting and compliance.

Marcus Robinson & Hassell

MARCUS, ROBINSON AND HASSELL
Monroe, Louisiana
November 21, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative discussion and analysis of the financial statements of the Vernon Parish Sheriff as of and for the fiscal year ending June 30, 2013, is submitted by the Chief Fiscal Officer of the Vernon Parish Sheriff's Department, and is intended to be used to enhance the readers understanding of the basic financial statements and accompanying notes

FINANCIAL HIGHLIGHTS

- Assets of the Sheriff's office exceeded its liabilities by \$364,290
- Total expenditures exceeded total revenues by \$817,279
- A 1/2% sales tax (perpetual in duration of tax) was passed by the voters of Vernon Parish in April 2004. Total sales tax revenue was \$3,023,718
- Personnel and related benefit costs comprise 72% of total expenses
- Cash and Cash Equivalents decreased \$261,630 from the prior year
- Notes and leases payable increased \$140,511 from the prior year

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an overview of the Sheriff's basic financial statements. The Statement of Net Position and the Statement of Activities (Governmental-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund tells how these services were financed in the short term as well as what remains for future spending. This report also contains other supplementary information in addition to the basic financial statements themselves.

In the Independent Auditor's Report, the auditor assures that the Basic Financial Statements are accurately and fairly stated. This Independent Auditor's Report should be used to judge the level of assurances provided for each portion in the Financial Section.

Government - Wide Financial Statements. These financial statements are used to present a general over all look at the finances of the Vernon Parish Sheriff's Department similar to a private sector business.

Statement of Net Position By determining the difference between the assets and liabilities of the Vernon Parish Sheriff, "Net Position" is determined. By comparing Statements of Net Position over a period of time, the overall financial trend of the sheriff can be monitored.

Statement of Activities This statement shows changes in the sheriff's net position during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to effect cash flows in future fiscal years. The Statement of Activities reports all changes to net position as soon as the event affecting net position occurs.

Fund Financial Statements - To comply with finance related legal requirements, the Vernon Parish Sheriff groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for a specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government Funds - Information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near term revenues and expenses and not only on balances available at the end of the fiscal year

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a more narrow focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities

A budgetary comparison statement is provided to demonstrate compliance with the sheriff's annual adopted appropriated budget

Agency (Fiduciary) Funds - These funds are used to manage monies and resources held by the Sheriff on behalf of others, such as inmate trust deposits, taxes, fines and bonds. Since these resources do not belong to the Sheriff and are not available to support the operations of the Sheriff, they are not reflected in the government-wide financial statements

Notes to the Financial Statements - These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements

Other Information - This report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Vernon Parish Sheriff's Department

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff's net position as of June 30, 2013 was \$364,290, a decrease of \$817,279 from the previous year

Net Position		6/30/13	6/30/12
Assets			
Current & Other Assets		\$ 912,099	\$1,196,282
Capital Assets, Net		<u>1,699,553</u>	<u>1,666,239</u>
Total Assets		2,611,652	2,862,521
Liabilities			
Accounts Payable and Other Current Liabilities		333,657	163,228
Net Post Employment Benefit Obligation		1,046,255	796,422
Long-Term, Liabilities		<u>867,450</u>	<u>721,302</u>
Total Liabilities		<u>2,247,362</u>	<u>1,680,952</u>
Net Position		<u>\$ 364,290</u>	<u>\$1,181,569</u>

During the year 2010 the Sheriff's Office implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans Other Than Pensions (GASB 45). As such, a liability of \$1,046,255 has been recorded to reflect the post employment benefits other than pensions that have been earned

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital assets represents 65% of total assets Allowance has been taken for outstanding debt incurred for the purchase of fixed assets

Summary of Changes in Net Position

	<u>6/30/13</u>	<u>6/30/12</u>
Program Revenues		
Fees Charges and Commission	\$ 4,455,539	\$ 4,411,696
Operating Grants and Contributions	<u>175,397</u>	<u>335,757</u>
Total Program Revenues	4,630,936	4,747,453
General Revenues		
Ad Valorem Taxes	2,645,163	2,367,352
Sales Taxes	3,023,718	3,057,982
Other General Revenues	<u>929,246</u>	<u>1,260,706</u>
Total General Revenues	<u>6,598,127</u>	<u>6,686,040</u>
Total Revenues	11,229,063	11,433,493
General Government Expenses	<u>12,046,342</u>	<u>11,359,315</u>
Change in Net Position	<u>\$ (817,279)</u>	<u>\$ 74,178</u>

During the year 2010 the Sheriff's office implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans Other Than Pensions (GASB 45). As such, Personal Service Expense of \$249,833 was recorded to reflect the post-employment benefits other than pensions that have been earned.

FINANCIAL ANALYSIS OF SHERIFF FUND

Fund accounting is used by the Vernon Parish Sheriff to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Vernon Parish Sheriff's combined governmental fund balances as of June 30, 2013 is \$579,988. The June 30, 2012 combined governmental fund balances was \$1,035,111. This is a decrease of \$455,123. Of the June 30, 2013 balances, \$516,606 is unassigned.

Budgetary Highlights

Revenues and expenditures in the final budget exceeded projections in the original budget. The original budget was not amended. The largest revenue increase was an increase in budgeted state grants of \$76,247. The largest expenditure increase was capital outlay of \$245,034.

Capital Asset and Debt Administration

Capital Assets The Vernon Parish Sheriff investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$1,699,553 (net of accumulated depreciation). Vehicles and equipment totaling \$245,033 were purchased during the year.

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following summarizes capital assets	<u>6/30/13</u>	<u>6/30/12</u>
Capital Assets		
Vehicles	\$ 582,473	\$ 352,175
Furniture and Equipment	389,829	472,562
Buildings	2,194,053	2,194,053
Land	<u>129,390</u>	<u>129,390</u>
	3,295,745	3,148,180
Accumulated Depreciation	<u>1,596,192</u>	<u>1,481,941</u>
Capital Assets, net	<u>\$1,699,553</u>	<u>1,666,239</u>

Long-term Debt Total outstanding long-term debt for the Vernon Parish Sheriff as of June 30, 2013 is \$867,450. Of this amount, \$572,110 will be paid in full during fiscal year 2014. Outstanding debt was increased by \$146,148 during fiscal year 2013.

The following summarizes long-term obligations

	<u>6/30/13</u>	<u>6/30/12</u>
Tax Anticipation Loans	\$500,000	\$ 500,000
Capital Lease Payable	0	48,507
Vehicle Installment Loans	218,099	29,081
Deferred Comp Payable	<u>149,351</u>	<u>143,714</u>
	<u>\$867,450</u>	<u>721,302</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

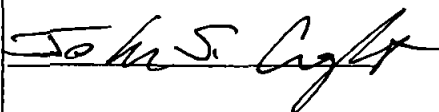
The Vernon Parish Sheriff's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental Revenues
- 3) Fees, Charges, and Commissions for Services

The Vernon Parish Sheriff does not expect any significant changes in next year's results as compared to the current year.

Request for Information

This report may be used by all persons with an interest in the financial status of the Vernon Parish Sheriff. It is designed to help the reader gain a general over-all view of the sheriff's finances. Any question or request for additional information should be addressed to the Vernon Parish Sheriff, P O Box 649, Leesville, La 71496-0649.



BASIC FINANCIAL STATEMENTS

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2013

ASSETS

Cash and Cash Equivalents	\$ 248,733
Receivables	663,366
Capital Assets (net of accumulated depreciation)	<u>1,699,553</u>
<u>TOTAL ASSETS</u>	2,611,652

LIABILITIES

Accounts Payable	332,111
Accrued Interest Payable	1,546
Net Post Employment Benefit Obligation	1,046,255
Long-Term Liabilities	
Due Within One Year	572,110
Due in More Than One Year	<u>295,340</u>
<u>TOTAL LIABILITIES</u>	<u>2,247,362</u>

NET POSITION

Invested in Capital Assets, net of related debt	1,481,454
Unrestricted	<u>(1,117,164)</u>
<u>TOTAL NET POSITION</u>	<u>\$ 364,290</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Operating Grants</u>	<u>Capital Grants</u>	
<u>Judicial</u>				
Personal Services	\$8,629,536	\$ 68,038	\$ 0	\$(8,561,498)
Operating Services	1,771,582	0	0	(1,771,582)
Materials and Supplies	1,114,064	107,359	0	(1,006,705)
Travel and Other Charges	281,801	0	0	(281,801)
Debt Service-Interest	42,514	0	0	(42,514)
Depreciation	206,845	0	0	(206,845)
<u>TOTAL PROGRAM EXPENSES</u>	<u>\$12,046,342</u>	<u>\$175,397</u>	<u>\$ 0</u>	<u>\$(11,870,945)</u>
<u>Program Revenues</u>				
Commission on License				54,415
Fees - 911				556,676
Fines & Costs				374,100
Civil & Criminal Fees				210,072
Housing Prisoners				2,717,511
Other				542,765
<u>TOTAL PROGRAM REVENUES</u>				<u>4,455,539</u>
<u>NET PROGRAM EXPENSES</u>				<u>(7,415,406)</u>
<u>General Revenues</u>				
Taxes - Ad Valorem				2,645,163
Taxes - Sales Tax				3,023,718
Grants & contributions not restricted to specific programs				
State revenue sharing				239,022
Other				687,520
Book Value of Disposed Vehicles				(4,874)
Interest Earned				7,578
<u>TOTAL GENERAL REVENUES</u>				<u>6,598,127</u>
<u>Change in Net Position</u>				<u>(817,279)</u>
<u>Net Position at Beginning of Year</u>				<u>1,181,569</u>
<u>Net Position at End of Year</u>				<u>\$ 364,290</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$185,351	\$63,382	\$248,733
Receivables	<u>663,366</u>	<u>0</u>	<u>663,366</u>
<u>TOTAL ASSETS</u>	<u>\$848,717</u>	<u>\$63,382</u>	<u>\$912,099</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts Payable	\$332,111	\$ 0	\$332,111
<u>TOTAL LIABILITIES</u>	332,111	0	332,111
Fund Balances			
Assigned	0	63,382	63,382
Unassigned	<u>516,606</u>	<u>0</u>	<u>516,606</u>
<u>TOTAL FUND BALANCES</u>	<u>516,606</u>	<u>63,382</u>	<u>579,988</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$848,717</u>	<u>\$63,382</u>	<u>\$912,099</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

Total Fund Balances - Governmental Funds	\$579,988
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Amounts reported for governmental activities in the Statement of Net Position are different because

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental Funds

Cost of Capital Assets	3,295,745	
Less Accumulated Depreciation	<u>1,596,192</u>	1,699,553

Long-term liabilities are not due and payable in the current period. Accordingly, they are not reported as liabilities in the Governmental Funds. All liabilities are reported in the Statement of Net Position.

Installment Loans	218,099	
Tax Anticipation Loans	500,000	
Deferred Comp Payable	149,351	
Net Post Employment Benefit Obligation	<u>1,046,255</u>	(1,913,705)

Interest on long-term debt is accrued in the Statement of Net Position, but not in the Governmental Funds.

Accrued Interest Payable	(<u>1,546</u>)
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Net Position	<u>\$ 364,290</u>
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See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
<u>REVENUES</u>			
Ad Valorem Taxes	\$2,645,163	\$ 0	\$2,645,163
Sales Taxes	3,023,718	0	3,023,718
Intergovernmental Revenues			
Federal Grants	64,908	0	64,908
Local Grants	61,762	0	61,762
State Grants	736,247	0	736,247
State Revenue Sharing	239,022	0	239,022
Fees, Charges & Services			
Fees - 911	0	556,676	556,676
Licenses	54,415	0	54,415
Fines & Cost	374,100	0	374,100
Civil	210,072	0	210,072
Housing Prisoners	2,717,511	0	2,717,511
Use of Money - Interest Earnings	7,578	0	7,578
Other	<u>295,518</u>	<u>247,247</u>	<u>542,765</u>
TOTAL REVENUES	10,430,014	803,923	11,233,937
<u>EXPENDITURES</u>			
Public Safety			
Personal Services and Related Benefits	7,957,202	416,864	8,374,066
Operating Services	1,551,167	220,415	1,771,582
Materials and Supplies	1,114,064	0	1,114,064
Travel and Other Charges	46,646	235,155	281,801
Debt Service			
Principal	1,582,787	0	1,582,787
Interest and Bank Charges	43,025	0	43,025
Capital Outlay	<u>245,034</u>	<u>0</u>	<u>245,034</u>
TOTAL EXPENDITURES	<u>12,539,925</u>	<u>872,434</u>	<u>13,412,359</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES</u>	(2,109,911)	(68,511)	(2,178,422)
<u>OTHER FINANCING SOURCES</u>			
Capital Lease & Installment Loans	223,299	0	223,299
Proceeds from Bank Loan	<u>1,500,000</u>	<u>0</u>	<u>1,500,000</u>
TOTAL OTHER FINANCING SOURCES	<u>1,723,299</u>	<u>0</u>	<u>1,723,299</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</u>			
<u>SOURCES OVER EXPENDITURES</u>	(386,612)	(68,511)	(455,123)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>903,218</u>	<u>131,893</u>	<u>1,035,111</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 516,606</u>	<u>\$ 63,382</u>	<u>\$ 579,988</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances	\$(455,123)
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Amounts reported for governmental activities in the Statement of Activities are different because

Capital outlays are reported in government funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the periods:

Capital Outlays reported in the Funds	245,034	
Less: Depreciation reported in Statement of Activities	<u>(206,845)</u>	38,189

Disposition of capital assets is not recognized in governmental funds. However, in the statement of activities, the book value of disposed assets is recorded as an expense	(4,874)
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Beginning Accrued Interest	2,057	
Ending Accrued Interest	<u>1,546</u>	511

Additional loan proceeds is another financing source in the governmental funds, but the loans increase long-term liabilities in the Statement of Net Position	(1,723,299)
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Repayment of loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	1,582,787
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In the Statement of Activities, certain operating expenses - Comp Time - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid)	(5,637)
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Net Post-Employment Benefit Obligation Expensed	<u>(249,833)</u>
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Change in Net Position of Governmental Activities	<u><u>\$(817,279)</u></u>
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See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2013

	<u>Sheriff's Fund</u>	<u>Inmate Trust Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>\$652,989</u>	<u>\$74,692</u>	<u>\$27,381</u>	<u>\$755,062</u>
<u>LIABILITIES</u>				
Due to Taxing Bodies and Others	<u>\$652,989</u>	<u>\$74,692</u>	<u>\$27,381</u>	<u>\$755,062</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through establishment of neighborhood watch programs, anti-drug abuse programs, etc. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within Vernon and surrounding parishes.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Vernon Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Vernon Parish Sheriff is considered a primary government, since it is a special purpose government that has a separately elected official, is legally separate, and is fiscally independent of other state or local governments. As described in GASB Statement No. 14, fiscally independent means that the Sheriff may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Sheriff also has no component units, as other legally separate organizations for which the Sheriff is financially accountable. There are no other primary governments with which the Sheriff has a significant relationship.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Sheriff includes all funds, account groups, and activities that are controlled by the Sheriff as an independently elected official. As such, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. This report only includes all funds which are controlled by or dependent upon the Vernon Parish Sheriff.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIC FINANCIAL STATEMENTS - GOVERNMENT - WIDE STATEMENTS

The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the Sheriff as a whole.

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary of Assets and Liabilities at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts, net investment in capital assets, net of any related debt, restricted net position, and unrestricted net position.

D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the Sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the Sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into two categories, governmental and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public. Fiduciary funds are used to account for assets held for others. The Sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the Sheriff are described as follows:

Government Fund Types

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Sheriff and is used to account for the operations of the Sheriff's office. The various fees and charges due to the Sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Funds - The Inmate Commissary Fund is used to account for the proceeds of specific revenue sources such as sales to inmates. The Vernon Communication District Fund is used to account for the operations of the Parish E911 service. Those revenues are restricted to expenditures for specified purposes.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Vernon Parish Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Those revenues susceptible to accrual include ad valorem taxes, state revenue sharing, interest revenue, commissions, and charges for services. Federal, state and local aid and grants are recorded when the Sheriff is entitled to the funds.

Other intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. All miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

F. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The Vernon Parish Sheriff prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The budget is legally adopted and amended, as necessary, by the Sheriff.

All Budget appropriations lapse at year end.

Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments.

G. SALES TAX

The voters of Vernon Parish approved a one-half percent (½%) sales tax effective April 1, 2004, dedicated for the purpose of providing additional funding for the law enforcement district. The tax is perpetual. The Vernon Parish Sales Tax Department collects the tax and remits to the Sheriff. For this service the Sheriff pays a pro-rata share of administrative expense of the tax collection.

H. ENCUMBRANCES

Encumbrance accounting is not used in the Sheriff's operations.

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	10-20 Years
Buildings	40 Years

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

K RISK MANAGEMENT

The Sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters

Louisiana law provides that the Sheriff may join with other Sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Vernon Parish Sheriff has joined together with other Sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana Sheriffs. The Sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The Sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage.

The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, La 70804.

In addition to the above, the Sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

L. COMPENSATED ABSENCES

Full-time deputies of the Sheriff's office, depending on length of service, earn from 5 to 20 days of vacation and sick leave each year. Vacation leave must be taken in the year earned. Accumulated sick leave is not paid upon termination of employment. At June 30, 2013, there are no accumulated and vested benefits relating to vacation and sick leave that require disclosure or accrual to conform with generally accepted accounting principles.

Comp time is earned for overtime hours worked. The comp time is calculated based on 1 ½ times of hourly rate (including supplemental pay). Comp time is taken by time off, however, comp time earned and accrued is paid upon termination of the employee. Comp time earned in excess of 480 hours must be paid to the employee.

The comp time is measured by any amounts actually paid in the government funds.

The comp time is measured when actually earned in the government-wide statements and comp time earned and not paid is recorded as a liability.

Comp time earned and accrued at June 30, 2013 totaled \$149,351.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

M. BAD DEBTS

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectable and no allowance for bad debts is necessary.

N. ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

O. EQUITY CLASSIFICATIONS - GOVERNMENT-WIDE STATEMENTS

Net position represent the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Sheriff reports three categories of net position, as follows:

- **Net Investment in capital assets** - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
- **Restricted net position** - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Sheriff's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- **Unrestricted net position** - consists of all other net position that does not meet the definition of the above two components and is available for general use by the Sheriff.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The Sheriff's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

P. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Sheriff's office or imposed by law through constitutional provisions or enabling legislation.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

P. FUND EQUITY OF FUND FINANCIAL STATEMENTS - CONTINUED

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision making authority

Assigned - represents balances that are constrained by the Sheriff's intent to be used for specific purposes, but are not restricted nor committed

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Sheriff's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

NOTE 2 - LEVIED TAXES

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Expiration</u>	<u>Levied Millage</u>	<u>Millage</u>
Law Enforcement District	Indefinite	12.37	12.37
Law Enforcement District	2020	7.92	7.92

NOTE 3 - CASH AND CASH EQUIVALENTS

For the purpose of these financial statements, the Sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2013 the Sheriff has cash and cash equivalents (book balances) totaling \$1,003,795 as follows:

	<u>Statement of Net Position</u>	<u>Statement of Fiduciary Assets & Liabilities</u>	<u>Total</u>
Petty Cash	\$ 1,800	\$ 0	\$ 1,800
Demand Deposits	<u>246,933</u>	<u>755,062</u>	<u>1,001,995</u>
<u>TOTAL</u>	<u>\$248,733</u>	<u>\$755,062</u>	<u>\$1,003,795</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 - CASH AND CASH EQUIVALENTS - CONTINUED

At June 30, 2013, the Sheriff has \$1,495,456 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$995,456 was collateralized by securities by pledging banks in the Sheriff's name.

NOTE 4 - RECEIVABLES

The receivables at June 30, 2013, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Advalorem and Sales Tax	\$296,583	\$0	\$296,583
License	3,053	0	3,053
Fees, Charges, and Commissions for Services	46,312	0	46,312
Grants	124,768	0	124,768
Feeding and Keeping of Prisoners	170,660	0	170,660
Other	<u>21,990</u>	<u>0</u>	<u>21,990</u>
<u>TOTAL</u>	<u>\$663,366</u>	<u>\$0</u>	<u>\$663,366</u>

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2013 follows:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
<u>Capital Assets</u>				
Vehicles	\$ 352,175	\$230,298	\$ 0	\$ 582,473
Furniture & Equipment	472,562	14,735	97,468	389,829
Buildings	2,194,053	0	0	2,194,053
Land	<u>129,390</u>	<u>0</u>	<u>0</u>	<u>129,390</u>
	<u>\$3,148,180</u>	<u>\$245,033</u>	<u>\$97,468</u>	<u>\$3,295,745</u>
<u>Accumulated Depreciation</u>				
Vehicles	\$ 164,067	\$111,429	\$0	\$ 275,496
Furniture & Equipment	275,702	40,565	92,594	223,673
Buildings	<u>1,042,172</u>	<u>54,851</u>	<u>0</u>	<u>1,097,023</u>
	<u>1,481,941</u>	<u>206,845</u>	<u>92,594</u>	<u>1,596,192</u>
<u>Net Capital Assets</u>	<u>\$1,666,239</u>	<u>\$ 38,188</u>	<u>\$ 4,874</u>	<u>\$1,699,553</u>

NOTE 6 - PENSION PLAN

Substantially all employees of the Vernon Parish Sheriff's office are members of the Louisiana Sheriffs Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
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JUNE 30, 2013

NOTE 6 - PENSION PLAN - CONTINUED

physically fit, earn at least \$400 per month, and who were at least 18 years of age at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to percentage of their final-average salary for each year of credited service. Final - average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 6554 Florida Boulevard, Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Vernon Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.89 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Vernon Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Vernon Parish Sheriff's contributions to the System for the years ended June 30, 2011, 2012, and 2013 were \$557,849, \$611,971, and \$716,505, respectively, equal to the required contributions for each year.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Vernon Parish Sheriff's Office's medical and life insurance benefits are provided to employees upon actual retirement.

The employer pays a portion of the medical coverage for the retiree only (not dependents), depending on length of service at retirement. Employees are covered by a retirement system whose retirement eligibility (D R O P entry) provisions are as follows: age 55 and 15 years of service.

Life insurance coverage is continued to retirees. The employer pays for the first \$10,000 of life insurance after retirement for retiree and the retirees pay for the volume in excess of \$10,000. However, both the employer and retiree rates are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption, zero trend was used for life insurance.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Contribution Rates - Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The Plan provisions and contribution rates are contained in the official plan documents.

Fund Policy - Until 2010, the Vernon Parish Sheriff recognized the cost of providing post-employment medical and life benefits (Vernon Parish Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2013, Vernon Parish Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$223,707.

Effective July 1, 2010, Vernon Parish Sheriff's implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table:

Annual Required Contribution - Vernon Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2013</u>
Normal Cost	\$174,291
30-year UAL amortization amount	<u>313,449</u>
Annual Required Contribution (ARC)	<u>\$487,740</u>

Net Post-Employment Benefit Obligation (Asset). The table below shows Vernon Parish Sheriff's Net Other Post-Employment Benefit (OPEB) Obligation for fiscal year ending June 30, 2013:

Beginning Net OPEB Obligation	\$ 796,422
Annual Required Contribution	487,740
Interest on Net OPEB Obligation	31,857
ARC Adjustment	<u>(46,057)</u>
OPEB Cost	473,540
Current Year Retiree Premium	<u>(223,707)</u>
Change in Net OPEB Obligation	<u>249,833</u>
Ending Net OPEB Obligation	<u>\$1,046,255</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

The following table shows Vernon Parish Sheriff's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>of Annual</u> <u>Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u> <u>(Asset)</u>
June 30, 2013	\$473,540	47.24%	\$1,046,255
June 30, 2012	\$442,116	43.15%	\$796,422

Funded Status and Funding Progress - In 2013, Vernon Parish Sheriff made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2013 was \$5,637,140 which is defined as that portion, as determined by a particular actuarial cost method (Vernon Parish Sheriff uses the Projected Unit Credit Cost Method) of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$5,637,140
Actuarial Value of Plan Assets (AVP)	0
Unfunded Acct. Accrued Liability (UAAL)	<u>\$5,637,140</u>
Funded Ratio (AVP/AAL)	0%
Covered Payroll (active plan members)	\$5,839,361
UAAL as a Percentage of Covered Payroll	96.54%

Actuarial Methods and Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate, (2) retirement rate, (3) health care cost trend rate, (4) mortality rate, (5) discount rate (investment return assumption), and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Vernon Parish Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Vernon Parish Sheriff and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Vernon Parish Sheriff and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Actuarial Cost Method - The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets - There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average turnover of approximately 30%.

Post-Employment Benefit Plan Eligibility Requirements - We have assumed that employees retire four years after the earliest eligibility for retirement (D R O P entry) as described in the section above entitled "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) - GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medial rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility. The employer contribution is then the total unblended rate so determined less the retiree contribution, if any.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS CONTINUED

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years

	OPEB Costs and Contributions		
	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
OPEB Cost	\$430,667	\$442,116	\$473,540
Contribution	0	0	0
Retiree Premium	<u>144,447</u>	<u>190,769</u>	<u>223,707</u>
Total Contribution and Premium	<u>144,447</u>	<u>190,769</u>	<u>223,707</u>
Change in Net OPEB Obligation	<u>\$286,220</u>	<u>\$251,347</u>	<u>\$249,833</u>
% of Contribution to Cost	0 00%	0 00%	0 00%
% of Contribution Plus Premium to Cost	33 54%	43 15%	47 24%

NOTE 8 - CHANGES IN AGENCY FUNDS

A summary of changes in agency fund balances due to taxing bodies and others follows

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>
Agency Funds				
Sheriff's	\$ 563,169	\$ 1,510,995	\$ 1,421,175	\$652,989
Tax Collector	872,419	18,260,477	19,105,515	27,381
Inmate Trust	<u>88,828</u>	<u>809,346</u>	<u>823,482</u>	<u>74,692</u>
TOTAL	<u>\$1,524,416</u>	<u>\$20,580,818</u>	<u>\$21,350,172</u>	<u>\$755,062</u>

NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt for the year ended June 30, 2013

	<u>Balance</u> <u>June 30,</u> <u>2012</u>	<u>Additional</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30,</u> <u>2013</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Capital Lease Payable	\$ 48,507	\$ 0	\$ 48,507	\$ 0	\$ 0
Installment Loans	29,081	223,299	34,281	218,099	72,110
Tax Anticipation Loan	500,000	1,500,000	1,500,000	500,000	500,000
Deferred Comp Payable	<u>143,714</u>	<u>10,742</u>	<u>5,105</u>	<u>149,351</u>	<u>0</u>
	<u>\$ 721,302</u>	<u>\$1,734,041</u>	<u>\$1,587,893</u>	<u>\$867,450</u>	<u>\$572,110</u>

Installment Loans

Financed 4 vehicles at Sabine State Bank due in monthly installments of \$2,862 which includes interest at 3 25%

\$ 92,855

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS - continued

Financed 4 vehicles at Sabine State Bank due in monthly installments of \$3,656 which includes interest at 3.25%	<u>125,244</u>
	<u>\$218,099</u>
<u>Tax Anticipation Loan</u>	
Bank loan dated 5-23-13, due 5-18-14 plus interest at 2.97%	<u>\$500,000</u>

Annual Debt Service Requirements

The annual debt service requirements to maturity (excluding deferred comp) including principal and interest are as follows

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$572,110	\$20,962	\$593,072
2015	74,581	3,641	78,222
2016	<u>71,408</u>	<u>1,090</u>	<u>72,498</u>
	<u>\$718,099</u>	<u>\$25,693</u>	<u>\$743,792</u>

NOTE 10 - TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the tax collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the tax collector refunds the amount due, with interest at the rate of 2 percent per annum from the date the funds were received by the tax collector. The following is a summary of changes in the taxes paid under protest as recorded in the Tax Collector Agency Fund

Balance, June 30, 2012	\$826,055
Additions	
Taxes	0
Interest	737
Settlements to Taxing Bodies and Others	<u>(826,792)</u>
Balance, June 30, 2013	<u>\$ 0</u>

NOTE 11 - ON - BEHALF PAYMENTS

The Sheriff's office is located in the parish courthouse annex. Expenditures for operation and maintenance of the courthouse annex, as required by Louisiana Revised Statute 33:4715, are paid by the Vernon Parish Police Jury.

NOTE 12 - LITIGATION AND CLAIMS

At June 30, 2013, the sheriff is involved in several lawsuits seeking damages. Legal council anticipates an approximate 70% or better chance of a favorable outcome in all current lawsuits; however, an unfavorable outcome of all lawsuits could approximate a liability in the range of \$1,277,500. Liability insurance coverage carried by the sheriff totals \$1,000,000 in the aggregate.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 13 - EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at June 30, 2013 was \$27,381 The unsettled balances of the Tax Collector Fund at June 30, 2013 consist of

Refunds & Redemptions	\$ 27,381
Protest Taxes	<u>0</u>
	<u>\$ 27,381</u>

The amount of taxes collected for the current year by taxing authority was as follows

<u>Taxing Authority</u>	<u>Taxes Collected</u>
Vernon Parish Assessor	\$ 743,698
Vernon Parish Sheriff	2 600 949
Vernon Parish Police Jury	4,981,086
Vernon Parish School Board	7,240,551
La Agriculture & Forestry Commission	37,711
South Vernon Parish Water District	55,030
West Vernon Parish Water District	45,688
Louisiana Tax Commission	2,309
Vernon Parish Clerk	39,949
Vernon Parish District Attorney	31,959
Municipal Employees	39,949
Parochial Employees	39,949
Vernon Parish Registrar of Voters	<u>9,987</u>
	<u>\$15,868,815</u>

<u>Taxing Authority</u>	<u>Uncollected Taxes</u>
Vernon Parish Assessor	\$ 231
Vernon Parish Sheriff	789
Vernon Parish Police Jury	1,737
Vernon Parish School Board	<u>2,159</u>
	<u>\$ 4,916</u>

The above taxes were assessed however uncollected due to bankruptcies

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 13 - EX-OFFICIO TAX COLLECTOR - continued

The amount of collection on behalf of other taxing authorities is as follows

<u>Taxing Authority</u>	<u>Vernon Parish Police Jury</u>	<u>La Department Wildlife & Fisheries</u>	<u>Commission to Vernon Parish Sheriff</u>	<u>Final Distribution</u>
Occupational License	\$317,763	\$ 0	\$57,303	\$375,066
Gaming License	0	2,760	140	2,900
	<u>\$317,763</u>	<u>\$2,760</u>	<u>\$57,443</u>	<u>\$377,966</u>

The Vernon Parish Sheriff's Office does not collect sales tax, hotel/motel tax, tax incremental finance district, public utility insurance premiums or any other taxes other than ad valorem tax, occupational licenses and gaming licenses for tax authorities

NOTE 14 - RELATED PARTY TRANSACTIONS

There were no related party transactions that came to our attention

NOTE 15 - SUBSEQUENT EVENTS

The Sheriff's management has evaluated subsequent events through the date the financial statements were available to be issued, November 21 2013 and determined that no events occurred that require disclosure No subsequent events occurring after this date have been evaluated for inclusion in these financial statements

REQUIRED SUPPLEMENTAL INFORMATION
PART II

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Taxes - Ad Valorem	\$2,650,000	\$ 2,650,000	\$ 2,645,163	\$(4,837)
Taxes - Sales	3,066,600	3,066,600	3,023,718	(42,882)
Intergovernmental Revenues				
Federal Grants	11,500	11,500	64,908	53,408
Local Grants	58,500	58,500	61,762	3,262
State Grants	660,000	660,000	736,247	76,247
State Revenue Sharing	239,000	239,000	239,022	22
Fees, Charges & Services				
Licenses	58,000	58,000	54,415	(3,585)
Fines & Costs	370,000	370,000	374,100	4,100
Civil	215,000	215,000	210,072	(4,928)
Housing Prisoners	2,800,000	2,800,000	2,717,511	(82,489)
Use of Money - Interest Earnings	4,900	4,900	7,578	2,678
Other	<u>670,100</u>	<u>670,100</u>	<u>295,518</u>	<u>(374,582)</u>
<u>TOTAL REVENUES</u>	<u>\$10,803,600</u>	<u>\$10,803,600</u>	<u>\$10,430,014</u>	<u>\$(373,586)</u>
<u>EXPENDITURES</u>				
Public Safety				
Personal Services & Related Benefits	\$ 8,175,000	\$ 8,175,000	\$ 7,957,202	\$217,798
Operating Services	1,447,500	1,447,500	1,551,167	(103,667)
Materials and Supplies	992,800	992,800	1,114,064	(121,264)
Travel and Other Charges	37,000	37,000	46,646	(9,646)
Debt Service				
Principal & Interest	1,630,000	1,630,000	1,625,812	4,188
Capital Outlay	<u>0</u>	<u>0</u>	<u>245,034</u>	<u>(245,034)</u>
<u>TOTAL EXPENDITURES</u>	<u>12,282,300</u>	<u>12,282,300</u>	<u>12,539,925</u>	<u>(257,625)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>(1,478,700)</u>	<u>(1,478,700)</u>	<u>(2,109,911)</u>	<u>(631,211)</u>
<u>OTHER FINANCING SOURCES</u>				
Capital Lease & Installment Loans	0	0	223,299	223,299
Proceeds from Bank Loans	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
<u>TOTAL OTHER FINANCING SOURCES</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,723,299</u>	<u>223,299</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</u>	<u>21,300</u>	<u>21,300</u>	<u>(386,612)</u>	<u>(407,912)</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>903,218</u>	<u>903,218</u>	<u>903,218</u>	<u>0</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 924,518</u>	<u>\$ 924,518</u>	<u>\$ 516,606</u>	<u>\$(407,912)</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED JUNE 30, 2013

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Accrued Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage Of Covered Payroll</u>
06/30/13	07/01/12	\$0	\$5,637,140	\$5,637,140	0 00%	\$5,839,361	96 54%
06/30/12	07/01/09	\$0	\$4,671,773	\$4,671,773	0 00%	\$5,293,887	88 25%
06/30/11	07/01/09	\$0	\$4,671,773	\$4,671,773	0 00%	\$4,895,821	95 42%
06/30/10	07/01/09	\$0	\$4,671,773	\$4,671,773	0 00%	\$4,980,978	93 79%

OTHER SUPPLEMENTARY INFORMATION

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Sheriff's Fund - Accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collection of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws. The Sheriff's Fund is comprised of the Civil, Bond, Fines and Costs Funds, and the Probation Fund of the Sheriff.

Tax Collector Fund - Article V, Section 27, of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

Inmate Fund - Accounts for money deposited by various prison inmates while incarcerated by the Sheriff. Withdrawals are made for purchased by the inmates. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
FIDUCIARY FUND TYPES - AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN BALANCES
DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Sheriff's Fund</u>	<u>Inmate Trust Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
<u>BALANCES AT BEGINNING OF YEAR</u>	\$ 563,169	\$ 88,828	\$ 872,419	\$1,524,416
<u>ADDITIONS</u>				
Deposits				
Bonds	76,166	0	0	76,166
Fines and Costs	412,882	0	0	412,882
Advance Deposits (Suits)	1,020,471	0	0	1,020,471
Taxes, Fees, Etc , Paid to				
Tax Collector	0	0	18 229 726	18 229 726
Interest Earned	1,476	0	30 751	32,227
Inmate Deposits	<u>0</u>	<u>809,346</u>	<u>0</u>	<u>809,346</u>
<u>TOTAL ADDITIONS</u>	<u>1,510,995</u>	<u>809,346</u>	<u>18,260,477</u>	<u>20,580,818</u>
<u>TOTAL AVAILABLE</u>	2,074,164	898,174	19,132,896	22,105,234
<u>REDUCTIONS</u>				
Taxes, Fees, Etc , Distributed				
to Taxing Bodies and others	0	0	19,105,515	19,105,515
Deposits Settled to				
Sheriff's General Fund	113,419	615,251	0	728,670
Police Jury	4,780	0	0	4,780
District Attorney	55,533	0	0	55,533
Clerk of Court	7,775	0	0	7,775
Indigent Defender Board	28,750	0	0	28,750
Attorneys, Appraisers, Etc	206,111	0	0	206,111
Other Settlements	1,004,807	0	0	1,004,807
Withdrawals by/for Inmates	<u>0</u>	<u>208,231</u>	<u>0</u>	<u>208,231</u>
<u>TOTAL REDUCTIONS</u>	<u>1,421,175</u>	<u>823,482</u>	<u>19,105,515</u>	<u>21,350,172</u>
<u>BALANCES AT END OF YEAR</u>	<u>\$ 652,989</u>	<u>\$ 74,692</u>	<u>\$ 27,381</u>	<u>\$ 755,062</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013

	<u>Vernon Communication District</u>	<u>Inmate Commissary Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	<u>\$13,632</u>	<u>\$49,750</u>	<u>\$63,382</u>
<u>TOTAL ASSETS</u>	<u>\$13,632</u>	<u>\$49,750</u>	<u>\$63,382</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>TOTAL LIABILITIES</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balances</u>			
Assigned	<u>13,632</u>	<u>49,750</u>	<u>63,382</u>
<u>TOTAL FUND BALANCES</u>	<u>13,632</u>	<u>49,750</u>	<u>63,382</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$13,632</u>	<u>\$49,750</u>	<u>\$63,382</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

	Vernon Communication <u>District</u>	Inmate Commissary <u>Funds</u>	<u>Total</u>
<u>REVENUES</u>			
Fees, Charges & Services	\$556,676	\$ 0	\$556,676
Other	<u>0</u>	<u>247,247</u>	<u>247,247</u>
<u>TOTAL REVENUES</u>	556,676	247,247	803,923
<u>EXPENDITURES</u>			
Public Safety			
Personal Services & Related Benefits	416,864	0	416,864
Operating Services	220,415	0	220,415
Travel and Other Charges	<u>0</u>	<u>235,155</u>	<u>235,155</u>
<u>TOTAL EXPENDITURES</u>	<u>637,279</u>	<u>235,155</u>	<u>872,434</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES</u>	(80,603)	12,092	(68,511)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>94,235</u>	<u>37,658</u>	<u>131,893</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 13,632</u>	<u>\$ 49,750</u>	<u>\$ 63,382</u>

STATE OF LOUISIANA, PARISH OF VERNON

AFFIDAVIT

JOHN S. CRAFT (Sheriff's Name), Sheriff of VERNON (Parish)

BEFORE ME, the undersigned authority, personally came and appeared,

JOHN S. CRAFT (Name), the sheriff of VERNON Parish, State of Louisiana,

who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 27,381 is the amount of cash on hand in the tax collector account on
6-30-13 (Date);

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2012, by taxing authority,
are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the
failure to collect, by taxing authority, are true and correct.

John S. Craft
Signature
Sheriff of VERNON
(Parish)

SWORN to and subscribed before me, Notary, this 21st day of November 2013, in my office in
the Levell, Louisiana.
(City/Town)

Angela Lee West (Signature)

ANGELA LEE WEST (Print), # 49036
Notary Public

upon death (Commission)

REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

MARCUS, ROBINSON, and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
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Brian Robinson, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable John S. Craft
Vernon Parish Sheriff
Leesville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Vernon Parish Sheriff's basic financial statements, and have issued our report thereon dated November 21, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Vernon Parish Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Vernon Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Vernon Parish Sheriff's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vernon Parish Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management of the Vernon Parish Sheriff and the Legislative Auditor of Louisiana and is not intended to be, and should not be used by anyone other than the specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Marcus Robinson & Hassell

Marcus, Robinson and Hassell
November 21, 2013

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Sheriff, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated November 21, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2013 resulted in an unmodified opinion.

Section I - Summary of Auditor's Results

- Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses yes x no Significant Deficiency yes x no

Compliance

Compliance Material to Financial Statements yes x no

- Federal Awards -N/A

Internal Control

Material Weaknesses yes no Significant Deficiency yes no

Type of Opinion on Compliance Unmodified Modified
For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section 510(a)?

- Identification of Major Programs N/A

CFDA Number(s) Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs \$N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? yes No N/A

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs - N/A

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section

Section II - Internal Control and Compliance Material to Federal Awards

No findings were reported under this section

Section III - Management Letter

No management letter was issued